

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113

Sacramento, CA

Minutes of Meeting

March 10, 2005

COMMISSIONERS PRESENT

Nancy E. McFadden, Chair
Thomas Calderon
Diane M. Griffiths
Teresa P. Hughes
Vicki Marti
Lynn Schenk
Michael R. Yamaki

CMAC STAFF PRESENT

J. Keith Berger, Executive Director
Enid Barnes
Theresa Bueno
Paul Cerles
Denise DeTrano
Holland Golec
Steve Soto
Michael Tagupa
Mervin Tamai
Karen Thalhammer

EX-OFFICIO MEMBERS PRESENT

Bob Sands, Department of Finance
Stan Rosenstein, Department of Health Services

I. Call to Order

The March 10, 2005 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Nancy E. McFadden. A quorum was present.

II. Approval of Minutes

The February 24, 2005 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Mr. Berger reported that there were no new requests from hospitals or health plans to appear before the Commission in closed session at this time.

Mr. Berger informed the Commissioners that a representative from the Office of Statewide Health Planning and Development (OSHPD) was in attendance to give the Commissioners an update on the Seismic Retrofit Program (SB 1953) during open session.

Mr. Berger indicated that CMAC staff has eight amendments and contracts for the Commission for action during closed session. Additionally there are a number of updates and strategic discussions regarding negotiation issues that need to be addressed.

Mr. Berger reminded the public that the Commission finalized the meeting schedule dates for fiscal year 2005-06. The copies of the meeting schedule 2005-06 are available, and are also posted on the CMAC website.

Mr. Berger informed the Commission that CMAC staff has received the intent to participate forms and initial proposals from all the hospitals eligible to participate in this year's Medical Education Supplement Payment program for University/Major Teaching Hospitals.

CMAC has initiated discussion with the University of California regarding the amount of money to be transferred into the Medical Education Fund. Once the figures are determined, CMAC will begin negotiations with eligible hospitals regarding the distribution of Medical Education Funds.

Mr. Berger noted that the California Nurses Association (CNA) held a press conference on March 9 on nurse staffing ratio issues, and issued a press release on nurse staffing ratio Medi-Cal funds. The CNA has requested to meet with CMAC's Chair Nancy McFadden and Executive Director Keith Berger this afternoon.

Mr. Berger asked Stan Rosenstein, DHS, Deputy Director, Medical Care Services, to give the Commission an update on both the hospital waiver proposal and Medi-Cal Redesign.

Mr. Rosenstein summarized the ongoing discussions with both Centers for Medicare & Medicaid Services (CMS) and the Office of Management and Budget (OMB) on the State's proposal that replaces the current Selective Provider Contracting Program (SPCP) waiver.

Mr. Rosenstein reported that the current SPCP waiver expires on June 30, 2005, and that CMS is not going to extend the waiver, and will not allow the State to continue with the intergovernmental transfer (IGT) programs.

Mr. Rosenstein did report that the State has had very productive waiver discussions with CMS, but that there continues to be several issues with CMS and OMB.

In response to questions from several Commissioners on the SPCP waiver and Medi-Cal Redesign, Mr. Rosenstein said the State would continue their discussions with CMS and OMB and continue to update the Commission on the progress.

IV. Medi-Cal Managed Care Activities

Paul Cerles, Supervising Negotiator, reported that, in conjunction with the Commission, DHS Medi-Cal Managed Care Division opened the Healthy San Diego Geographic Managed Care (GMC) program for plan proposals for participation by managed care service plans. Plans were to submit their interest letters by March 7, 2005, for contracts to commence on January 1, 2006. CMAC understands that all existing plans wish to continue and two extra plans are interested in participating. DHS will review the qualifications of the interested plans and refer qualified plans to the Commission for GMC contract negotiations.

V. Presentation on the Hospital Seismic Retrofit Program

Kurt A. Schaefer, Deputy Director of Facilities Development Division, OSHPD, gave the Commission a brief overview of the hospital seismic retrofit program, SB 1953. Mr. Schaefer provided as a hand out, a copy of his presentation, which is attached.

After Mr. Schaefer's presentation, the Commissioners asked a number of questions, including the number of hospital's that have requested to extend the 2008 deadline to 2013 and OSHPD's approval rate.

Mr. Schaefer responded that the deadline for extension requests is 2007, and that OSHPD does anticipate more hospitals requesting extensions as the deadline approaches.

As for being denied, Mr. Schaefer reported that none of the hospitals that have requested extensions have been denied.

VI. New Business/Public Comments/Adjournment

There being no further new business and no additional comments from the public, Chair Nancy McFadden recessed the open session. Chair McFadden opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair McFadden announced that the Commission had taken action on hospital amendments in closed session. The open session was then adjourned.

Kurt A Schaefer, P.E.
Deputy Director

**Office of Statewide Health Planning
and Development**

Facilities Development Division

Overview of SB 1953



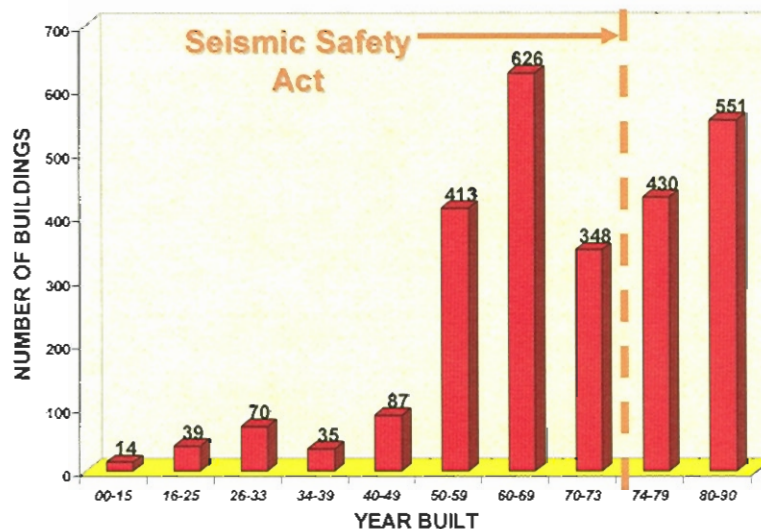
Earthquakes as a Catalyst for Change

- **Major advances in the structural engineering art are associated with damaging earthquakes.**
 - 1933 Long Beach
 - 1964 Alaska
 - 1971 San Fernando
 - 1989 Loma Prieta
 - 1994 Northridge
 - 1995 Kobe

Building on Shaky Ground

- California has a history of strong earthquakes.
- The most earthquake prone regions in the state are also the most heavily populated.
- Building design and construction has evolved, as a result of lessons learned in damaging earthquakes.

Vulnerability Study: Age of Facilities



Northridge Performance

Performance of all Buildings at 23 Hospital Sites with One or More Yellow or Red Tagged Buildings

Type of Damage	Number (%) of Buildings	
	Pre Act	Post Act
Structural Damage		
Red tagged	12 (24%)	0 (0%)
Yellow tagged	17 (33%)	1 (3%)
Green tagged	22 (43%)	30 (97%)
Nonstructural Damage		
Major	31 (61%)	7 (23%)
Minor	20 (39%)	24 (77%)
Total Buildings	51	31

What is SB 1953?

- Evaluation
- Retrofit to prevent collapse and loss of life
- Retrofit to provide continued operation after an earthquake

Seismic Evaluation

- **Covers structural and nonstructural systems**
- **Places buildings in Earthquake performance categories**
- **Allows for abbreviated analysis**
 - Post-1973 buildings
 - Known vulnerability is clear

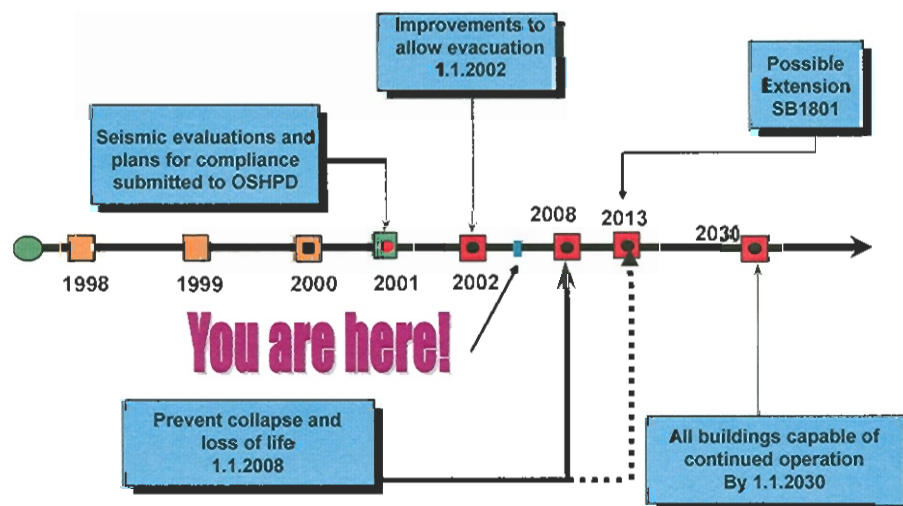
Structural Performance Categories

- **SPC 4 & 5 Conforming
Buildings (post-1973)**
- **SPC 3 Conforming Buildings
w/ Steel MRF-Near
Field (1973-1994)**
- **SPC 2 Non-conforming Buildings
(pre-1973) - No risk to life safety**
- **SPC 1 Significant risk to life safety**

Nonstructural Performance Categories (NPC)

- The NPCs are based on the expected performance of non-structural systems and equipment critical to patient care.
- Buildings ranked from "NPC 1" to "NPC 5".
- Ranking of "NPC 1" indicates critical systems are inadequately braced.
- Ranking of "NPC 5" indicates that the anchorage and bracing meets current Title 24 & no dependence on lifelines.

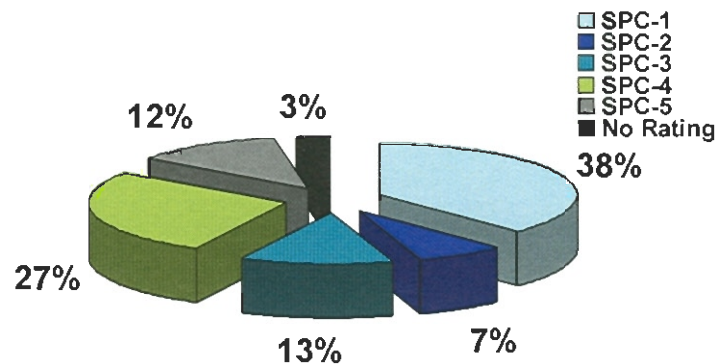
SB 1953 Major Milestones



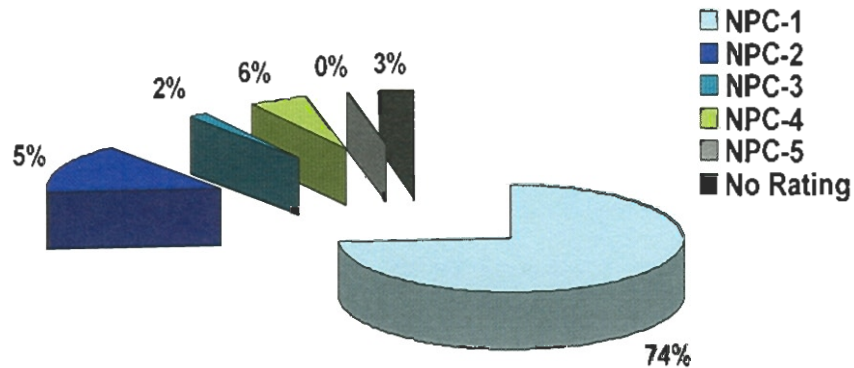
Extension Requests

- Extensions may be granted for “Diminished Capacity”, and pursuant to SB 1801 and SB 2006
- 215 Requests
 - 174 Approved
 - 36 Denied/Retracted/Incomplete
 - 5 Under review
 - 0 Awaiting review

Reported Hospital Building Structural Performance Rating



Reported Hospital Building Nonstructural Performance Rating



SUMMARY OF REPORTED HOSPITAL BUILDING SEISMIC PERFORMANCE CATEGORIES

No. of Hospital Facilities Req'd to Report = 439

No. of Hospital Facilities Reported = 431

No. of Hospital Buildings Reported = 2631

No. of Buildings in Ea. Seismic Category

SPC-1 = 980	NPC-1 = 1957
SPC-2 = 176	NPC-2 = 408
SPC-3 = 343	NPC-3 = 48
SPC-4 = 764	NPC-4 = 148
SPC-5 = 328	NPC-5 = 4
No Rating = 40	No Rating = 66

Hospital Response to SB 1953

- **Lengthy planning period (1995-2002)**
- **Hospitals are implementing an aggressive building program**
 - Hospitals identified their seismic risks
 - Hospitals identified operational costs arising from outdated buildings and technology
- **SB 1953 was the catalyst – Hospitals now realize there are many advantages to upgrading facility infrastructure, but...**
- **Many facilities are still considering retrofit, due to costs**

Implications of the Aging Hospital Infrastructure

- **The RAND report, April 2002**
 - *Estimating the Compliance Costs for California SB1953*
- **Estimated useful life of a hospital building is 50 years**
- **Average age of an SPC-1 building today is 49 years**

What has changed in 49 years?

- **Average size is 970 SF/bed versus \pm 1,400 SF/bed for a modern facility**
- **Wards and semi-private rooms v. private rooms**
- **Limited headroom above ceiling for mechanical systems (11-13 ft story ht. v. 15+ ft in modern buildings)**
- **Space planning limitations due to column spacing, walls, etc.**

SB 1953 Improves Healthcare Delivery

- **SB 1953 will improve patient care and hospital efficiency**
 - **Current medical technology doesn't "fit" in older buildings**
 - **Buildings likely to be replaced by 2030 will be over 60 years old . . .**
 - **Consider the difficulties delivering modern healthcare today in building constructed before 1940 . . .**

www.oshpd.ca.gov/fdd